



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

April 26, 1983

83-03452
SPECIAL

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer

Department of Education
Department of State
Department of Defense
✓ Central Intelligence Agency

SUBJECT: Department of Commerce proposed testimony for April 27, 1983, on H.R. 2708, "A bill to further the national security and improve the economy of the United States by providing grants for the improvement of proficiency in critical languages, for the improvement of elementary and secondary foreign language instruction, and for per capita grants to reimburse institutions of higher education to promote the growth and improve the quality of postsecondary foreign language instruction".

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than 4:00 p.m. today, April 26, 1983.

Questions should be referred to Fred Fischer (395-5880) or to Naomi Sweeney (395-3881), the legislative analyst in this office.

GMC 4-27-83: OMB informed we had no time to respond. No problems.

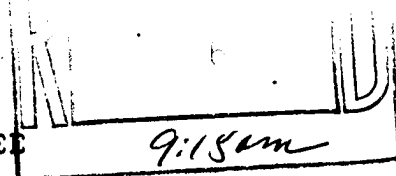
Filed: Legislation General 9pm

Enclosures

Naomi R. Sweeney

Naomi R. Sweeney for
Assistant Director for
Legislative Reference

STATEMENT OF RICHARD L. McELHEE
DIRECTOR GENERAL FOR THE
U. S. AND FOREIGN COMMERCIAL SERVICE
BEFORE THE
SUBCOMMITTEE ON POSTSECONDARY EDUCATION
OF THE HOUSE EDUCATION AND LABOR COMMITTEE



April 27, 1983

Mr. Chairman, I am pleased to appear before this Subcommittee to discuss H. R. 2708 and the need to improve U. S. citizen foreign language capability.

We in the U. S. and Foreign Commercial Service (USFCS) are very aware of the need for foreign language capabilities. Our mission is to promote American exports through our 120 posts overseas in 69 countries and our 55 District and Satellite offices in the United States. We know how important it is for U. S. government officials to be able to do business in a country in the language of that country, and we have been doing something about it.

Our overseas Foreign Commercial Service component has only been in business since 1980, when some 162 Foreign Service

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Commercial Officers and 487 Foreign Service National positions were transferred to the Department of Commerce from the Department of State. These positions are located in the countries with which we did almost 95 percent of our total trade.

The transfer was intended to give our trade promotion efforts a new, fresh impetus -- and it has. In terms of language proficiency, we have increased the number of our overseas positions requiring at least minimum working proficiency in the language of the country to 109 of a current total of 177 positions. Only 37 of our positions in countries where languages other than English are used are not "language designated." Many of these are in areas such as Scandinavia, where English is very widespread. Even in these countries we provide our officers with at least "courtesy-level" language training, preferably before they arrive in the country and certainly while they are serving there.

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We have had to work hard to keep all these positions--three out of four in all non-English speaking countries for which we are responsible --filled with qualified officers who are proficient in both language and commercial skills. But we are holding our own, through careful and extensive recruitment and training efforts. Let me give you some details.:

Our present overseas U. S. citizen employee cadre is proficient, to one degree or another, in some 28 languages. Each employee speaks an average of two and one-half languages. To provide this pool of skilled manpower, we have been emphasizing in our recruiting efforts language skills and overseas experience. Despite our high standards, we have found many candidates who meet our criteria. For example, in the 1982/83 recruitment cycle, which we have almost completed, we received 1300 applications for some 50 positions. The 77 applicants who reached the Final Register, from which we will make employment offers, have indicated proficiency on the average in nearly two and one half languages each, in a variety

of some 33 languages.

However, I do not want to paint too rosy a picture. Although our officers are skilled in many languages, the predominant tongues are the "world" or Western European languages, including Spanish and French. While we have officers who are fluent in the "hard" languages which are becoming increasingly important, including Chinese, Japanese and Arabic, we are a small service in terms of total numbers, and officers with the requisite skills can be in the middle of other assignments when we need a particular language. Even if the right officers are available, they may not have had occasion to use the language for some time, and their skills could be rusty.

We have also found that many of our new recruits' language proficiencies are not as good as they think they are when we put them against the objective standard of a Foreign Service Institute test. Some are, of course, just rusty. Others who have functioned perfectly well in private sector positions

requiring a particular language have simply underestimated the skills necessary for diplomatic work.

All this means that we must spend considerable resources on language training. Six months of full-time study is generally sufficient to attain working-level proficiency in a Western European language, and three months is usually more than enough for a "brush-up" course. However, other languages--the "hard" ones for which we are less likely to find qualified employees--do require much more study. Some, such as Turkish and Greek, require ten months of full time study. Others, including Chinese, Japanese and Arabic, can mean two years of full time study. Refresher courses also mean at least three months full time training to reach basic proficiency.

So we have to spend a lot of our training resources on language. In the past two years we have paid for the equivalent of more than 20 years of full time language training for 76 employees and their spouses, an average of almost 14

weeks per person. We provided training in some 17 different languages, from French and Spanish to Arabic, Cantonese and Thai. In addition, many of our officers and their spouses take part-time training at their posts through the Post Language Training program offered by the Foreign Service Institute.

Through this program we offer three to five hours per week of training to provide at least courtesy-level proficiency in the national language. I might mention that we provide as much language training as possible to the spouses of our officers.

Overseas assignments are a family affair; our officers perform better if their spouses are happy--and knowing the local language helps a great deal.

Despite the costs involved, we believe it is money well spent.

Our training is targeted for specific officers going to specific positions in specific countries. It is not general training--in fact, we do not assign people to full-time language training unless they have been assigned to a position

requiring that language.

As Americans, we are indeed fortunate to have been born in an English-speaking country when English is far and away the most-used international language. Yet we in the U. S. and Foreign Commercial Service have already learned that English alone is by no means enough. The world of international trade is already very competitive. The competition will only get tougher and the competition knows the local language.

I have described my organization's need for language skills, and I am sure my colleagues from the four other foreign affairs agencies would echo my thoughts. What about the private sector, the American business community which is USFCS's constituency? The need here is just as important and maybe even more so. While our officers overseas act as brokers, it is American business' task to make the sale or the investment, to operate on the ground, to run factories, to develop major projects, to develop long term customer relationships. In all

these areas language is a vital skill. While American companies can hire citizens of the country to help, as , in fact, we do, the final buck usually stops with an American.

Where does American business find people with both international marketing and language skills? If our own recruitment campaign is any indication, there are a number of people available right now. I wonder how much of this availability is due to the recession. I suggest that the private sector demand for such people will begin to expand as American business becomes more export-minded. Perhaps our most important task in the USFCS is to promote export-consciousness among American business, to show U.S. companies that, given the right approach, training and resources, America can be competitive in world markets and that there is, indeed, money to be made in exports.

It is clear that, with our large and growing trade deficits, promoting American exports must be a major goal of this

nation. All of our own efforts are aimed in this direction.

Recent legislation has and will be making major contributions.

The changes in tax laws for overseas income and, more

importantly, the new Export Trading Company Act, are excellent examples.

All of these efforts are combining to push more and more

American companies in the direction of exports. As these firms

get out into the international marketplace they will learn, as

we have, how important language skills can be. They will then

learn that obtaining language skills must be a cost of doing

business, just like any other expense. As this happens, and I

believe this process has already begun, the demand for language

skills will begin to grow.

When this happens, businesses will be willing to pay the costs,

that is, invest in language training for their employees. They

will do what we have done -- target language training for

specific jobs in specific countries, making the best use of

To save money, businesses will also be looking for prospective employees who already have language skills. The most likely source are college graduates who have studied language while in school. However, I would hazard a guess that business will find, again as we have, that language skills will be rusty or untested in the international arena. In other words, many employees with language education will need addition, practical job-specific training to function effectively in overseas sales or management jobs.

Given these pragmatic constraints, language training in our schools and colleges at least provides business with employees who have a head start and helps sell American products in world markets. Of course language education in our schools benefits our society in general as well. While learning a language students also learn that there are other societies than our own in the world. Through the culture-learning aspects of language study students also learn that other peoples live in other

ways. Having an informed populace that is internationalist in its outlook benefits our nation as a whole as well as specific sectors such as business.

However, we do not live in a world of unlimited resources.

While we support increased language training in our schools and colleges as of general benefit to our society and our country, we suggest that overall governmental resource and budget constraints preclude earmarking funds for costly specialized programs. The supply of language training will be stimulated when the demand for that training increases. For our client, the American business community, this will happen, as I have noted, when it realizes the potential that lies in increasing exports. Then business will increase its own language training spending as well as demand language-trained people from local school systems. Local schools and colleges will then increase language training in response to increased demand. The decision as to when and in what languages should be a local

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decision. Our existing aid to education programs provide all the funds we can afford to put into education. Whether local jurisdictions use these funds for language training or other education should be up to them. They will decide their priorities, which we believe is as it should be. If local demand is for language training, then schools will allocate more resources to this area. This will make the best use of resources, since specific supply will be responding to specific demand.

Thank you.